

U.S. Small Business Administration
Form of Detached Assignment for U. S. Small Business Administration
Loan Pool or Guaranteed Interest Certificate
OMB Control Number 3245-0212
Justification – Part A Supporting Statement

Overview of Information Collection: Provide a brief overview of the information being collected, disclosed, or the recordkeeping requirement imposed by the agency.

This is a Revision to an Existing Collection. SBA has not made any changes to this information collection, which consists of only Form 1088. We have added a Privacy Act Statement to cover the collection of perceived personal identifiable information.

1. Need & Method for the Information Collection. Explain the circumstances that make the collection of information necessary.

The SBA secondary market is an evolving 48.6 billion dollar market designed to facilitate the availability of capital to lenders serving the small business community. Pursuant to section 5(h)(1)(C) of the Small Business Act, 15 U.S.C. § 634(h)(1)(C), sellers of a loan or pool certificate must disclose to the purchaser information on the terms and conditions of the instrument. Information includes a constant annual prepayment rate based upon the seller's analysis of the prepayment histories of SBA guaranteed loans with similar maturity, as well as information on the terms, conditions, and yield of the security. This form is used to collect such required information.

2. Use of the Information. Indicate how, by whom, and for what purpose the information is to be used (e.g., program administration, application for benefits or services, regulatory compliance, inform policy development).

Collected information is used by investors and SBA. The information enables investors to know the facts and assumptions used to develop the cash flow yield quoted on SBA certificates. This information also allows SBA to keep track of the ownership of the SBA certificates and keep statistical information of the transferred SBA certificates.

3. Use of Information Technology. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce

burden.

This form is available on-line to be downloaded and can also be completed electronically. However, this form cannot be submitted electronically. This form requires the stamp of a raised seal and wet signatures in order to help ensure the legality of this form. At this time, we do not know of any acceptable procedure that could take the place of a raised seal to ensure authenticity of the form and to protect the integrity of the secondary market program from malfeasance. SBA researched other transfers of investment instruments such as Ginnie Mae's Mortgage-Backed Securities, US Bonds and Treasury Notes and the practice of requiring a raised seal and wet signatures is consistent with other transfers of investment instruments.

4. Non-duplication. Describe efforts to identify duplication.

The information collected on Form 1088 is specific to each transaction and is the only source that documents the transfer of loan or pool certificate on the secondary market.

5. Burden on Small Business. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. Did the agency consider any exemptions, alternate options, or partial or delayed compliance options for small businesses?

This collection of information is submitted by large corporations dealing in the secondary market; therefore, collected information does not impact small businesses or other small entities. Burden was reduced to an absolute minimum for all businesses by only requesting the minimum amount of information that is necessary to comply with the program's laws and regulations.

6. Less Frequent Collection. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

Failure to collect the referenced information would prevent the program from operating efficiently and effectively. SBA would not know which loans or pool certificates were transferred. Also, buyers of loans or pool certificates will not have sufficient information to make rational decision to invest. In addition, the Fiscal Transfer Agent (FTA) would not know where and to whom to submit secondary market payments. There are no technical or legal obstacles to collecting the necessary information.

7. Paperwork Reduction Act Guidelines. Explain any special circumstances that would cause an information collection to be conducted in a manner:

Collection of information could not be conducted less frequently than one time per transfer transaction. No other special circumstances exist to cause an information collection to be conducted in the manners referenced.

8. Consultation and Public Comments.

SBA published the required 60-day comment notice in the Federal Register on May 19, 2023, at 88 FR 32263. The comment period ended on July 18, 2023; no comments were received.

9. Gifts or Payment. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No gifts or payments are provided to any respondents.

10. Privacy & Confidentiality. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.

Information collected on SBA Form 1088 titled, Form of Detached Assignment for U.S. Small Business Administration Loan Pool or Guaranteed Interest Certificate, per SBA's policy are safeguarded as required by the provisions of the Privacy Act and Executive Order 13556 for personally identifiable information and controlled unclassified information, respectively. Collection includes name, address, zip code, tax identification number, and financial information. The minimal amount of information is collected, and the Privacy Impact Assessment (PIA) is reviewed on an annual basis.

The information contained in this form is affiliated with the Capital Access Financial System: [Capital Access Financial System - Privacy Impact Assessment \(sba.gov\)](https://www.sba.gov/privacy-impact-assessment) and System of Records Notices SBA 20: [2021-25276.pdf \(govinfo.gov\)](https://www.govinfo.gov/records/sba-20-2021-25276) and SBA 21: [2021-09064.pdf \(govinfo.gov\)](https://www.govinfo.gov/records/sba-21-2021-09064).

The legal authority which supports this system is Public Law 85-536, 15 U.S.C 631 et seq. (Small Business Act, all provisions relating to loan programs, Public Law 85-699 as amended 15 U.S.C. 661 et seq (Small Business Investment Act of 1958, all provisions relating to loan programs).

Privacy risks are mitigated through access control, auditing, secure application design and monitoring, encryption, and authentication. Ensuring collection is comparable to its' collection; ensuring collection follows statutory authority to collect, encryption of data in transit and at rest; incremental and full backups, data integrity checks, data redundancy, and Contingency Planning. Mitigation is also through education via annual Cybersecurity Awareness and Privacy Training.

11. Sensitive Questions.

This Taxpayer Identification Number collected on SBA Form 1088 may be perceived as sensitive information. The Privacy Act Statement on SBA Form 1088 provides additional details.

12. Burden Estimate. Provide estimates of the burden of the collection of information. The statement should: Explain the reason for any changes to the burden and fill out the tables below (*or another table that explains the changes, as appropriate). These could involve one of the following.

	Requested	Program Change Due to New Statute	Program Change Due to Agency Discretion	Change Due to Adjustment in Agency Estimate	Change Due to Potential Violation of the PRA	Previously Approved
Annual Number of Responses for this IC	9,200					9,200
Annual IC Time Burden (Hour)	13,800					13,800
Annual IC Cost Burden (Dollars)	\$441,600					\$414,000

Provide an estimate for the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

Burden per Response:

	Time Per Response	Hours	Cost Per Response
Reporting	1.5 hours	1.5 hours	\$48.00
Record Keeping			
Third Party Disclosure			
Total	1.5 hours	1.5 hours	\$48.00

Annual Burden:

	Annual Time Burden (Hours)	Annual Cost Burden (Dollars)
Reporting	13,800 hours	\$441,600

Record Keeping		
Third Party Disclosure		
Total	13,800 hours	\$441,600

The annual burden of 1.5 hours per respondent is determined by an estimate of the amount of time necessary to read the form, insert the appropriate information, sign the document, maintain FTA records, prepare and send payments and includes an allowance of .5 hours per respondent to cover unpredictable events.

The estimated total annual hour cost burden is: \$441,600

This estimate assumes the form is completed by a Securities, Commodities, and Financial Services Sales Agents with an estimated average annual salary of \$67,480. Bureau of Labor Statistics, U.S. Department of Labor, *Occupational Outlook Handbook*, Securities, Commodities, and Financial Services Sales Agents, at <https://www.bls.gov/ooh/sales/securities-commodities-and-financial-services-sales-agents.htm> (visited November 1, 2023). The hourly rate is calculated to be about \$32.00. It is estimated that it will cost each respondent \$48.00 per response.

The change in Annual IC Burden Cost (dollars) is due to the increase in average salary from 2020 to 2023.

13. Estimated nonrecurring costs. Provide an estimate for the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden already reflected on the burden worksheet).

There are no other costs other than those outlined in #12.

14. Estimated cost to the Government. Provide estimates of annualized costs to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies may also aggregate cost estimates from Items 12, 13, and 14 in a single table.

The cost to the Federal Government as a result of this information collection is negligible.

15. Reasons for changes. Explain the reasons for any program changes or

adjustments reported on the burden worksheet.

There are no changes to the burden worksheet.

16. Publicizing Results. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

There are no plans to publish this information for public use.

17. OMB Not to Display Approval. If seeking approval to *not* display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

No exception is being sought; expiration date will be displayed.

18. Exceptions to "Certification for Paperwork Reduction Submissions." Explain each exception to the topics of the certification statement identified in "Certification for Paperwork Reduction Act Submissions."

There is no exception.

19. Surveys, Censuses, and Other Collections that Employ Statistical Methods. If this request includes surveys or censuses or uses statistical methods (such as sampling, imputation, or other statistical estimation techniques), a Part B supporting statement must be completed.

This collection does not employ statistical methods.